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PRIVATIZATION OF EQUIPMENT   )
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NETWORK CONNECTION RULES   )

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Room 100
U.S. Federal Communications
   Commission
445 12th Street, Southwest
Washington, D.C.

Tuesday,
July 13, 1999

The parties met, pursuant to adjournment,

at 9:00 a.m.

PARTICIPANTS:

FCC:

SUSAN MAGNOTTI, Common Carrier Bureau
DOUG SICKLER, Office of Engineering Technology
BILL HOWDEN, Common Carrier Bureau
KURT SCHROEDER, Common Carrier Bureau
DALE HATFIELD, Office of Engineering &
   Technologies
YOG VARMA, Common Carrier Bureau
JOHN BERRESFORD, Common Carrier Bureau

INDUSTRY:

CHUCK BERESTECKY, Lucent Technologies, Inc.
STEPHEN WHITESELL, Lucent Technologies, Inc.
NEIL SKAU, Lucent Technologies, Inc.
JOHN WAGNER, Lucent Technologies, Inc.
JOHN SHINN, Nortel Networks, Inc.
RAYMOND L. STRASSBURGER, Nortel Networks, Inc.
JOHN GODFREY, Information Technology Industry
   Council
STAN ROBERTS, Cisco Systems, Inc.

PARTICIPANTS: (Continued)

INDUSTRY:

WILLIAM S. HURST, Communication Certification
    Laboratory
ANH T. WRIDE, Communication Certification
    Laboratory
TRONE BISHOP, Bell Atlantic
CLINT PINKHAM, Thomson Consumer Electronics
PAUL K. HART, United States Telephone
    Association
CLIFF CHAMNEY, Sprint
JIM HEARST, SBC Communications, Inc.
JIM SALINAS, SBC Communications, Inc.
JOSEPH O'NEILL, American Council of
    Independent Laboratories
PIERRE ADORNATO, Telecommunications Industry
    Association
ROBERTA E. BREDEN, Telecommunications Industry
    Association
STEPHANIE MONTGOMERY, Telecommunications
    Industry Association
GREG SLINGERLAND, Telecommunications Industry
    Association

AUDIENCE:

JOHN BIPES, Mobil Engineering
ROLAND GUBISH, Intertech Testing Services
JIM CARLO, Texas Instrument

1   P R O C E E D I N G S

2   MR. BERRESFORD: Good morning, and welcome. My

3   name is John W. Berresford. I'm an antitrust lawyer in the

4   Common Carrier Bureau of the FCC, and I'd like to welcome

5   you to the third session of our fora on the potential

6   deregulation and privatization of Part 68 of the FCC's

7   rules.

8   Before going forward, I'd like to turn the floor

9   for a moment over to our signer.

10   Is there anyone here who would like to have a

11 signer during today's session?

12   (No response.)

13   Hearing and seeing none, okay, thank you very

14 much.

15   I would like to call on or I have a schedule of

16 the following persons to make presentations to us. First,

17 Pierre Adornato and Greg Slingerland of TIA; Second, Joseph

18 O'Neill of American Council of Independent Laboratories;

19 William S. Hurst of Communications Certification Laboratory;

20 Stan Roberts of Cisco Systems on behalf of Information

21 Technology Industry Council; Jim Salinas of SBC; and lastly,

22 John Shinn of Nortel Networks.

23   Is there anyone else who would like to be on the

24 schedule?

25   (No response.)

1   Very well. Seeing no one, I'll ask that again at

2   the end.

3   I would ask everyone who talks, by the way, to

4   start by stating his or her name for the benefit of our

5   stenographer.

6   And without further ado, Mr. Adornato and Mr.

7   Slingerland, can you give us the benefit of your thoughts,

8   please?

9   MR. ADORNATO: Thank you, Mr. Chairman. Good

10   morning, everybody.

11   I am Pierre Adornato from Nortel Networks, but at

12   this forum I'm speaking as a TIA representative.

13   I have been involved in TIA's activities and

14   regulatory activities for the past nine years. For the past

15   three years, I have been serving on a subcommittee within

16   TIA, TR-41, TR-41.2, to be precise, which deals with

17   conforming assessment issues.

18   Within the scope of this third forum, FCC asks for

19   input on how the equipment authorization procedure rules

20   could be streamlined. This is exactly the question that the

21   TR-41.2 subcommittee has been dressing.

22   I should note that the conclusions expressed are

23   those of the subcommittee and have not yet been approved yet

24   by the entire TIA membership.

25   TR-41.2 has concluded that the most effective

1 streamlining can be obtained by replacing the certification

2 process that is now in effect for Part 68 by a supplier's

3 declaration methodology. The two replacement options now

4 defining the Part 2 of the Code of Federal Regulations are a

5 declaration of conformity and verification. The

6 verification process has been successfully used for many

7 years and the main difference between it and the FCC

8 definition of declaration conformity is that the DOC,

9 declaration of conformity, mandates the use of an accredited

10 laboratory for testing purposes while verification does not.

11   In many ways, the process called "verification" by

12 the FCC corresponds to the international definition of

13 declaration of conformity as defined in ISO Guide 22 and in

14 the European Radio and Telecom Terminal equivalent

15 directive, the famous RTT directive, which I'm sure you've

16 all heard about. This directive will go into effect in

17 Europe by April of the year 2000.

18   The TR-41.1 subcommittee is presently finalizing a

19 petition for rulemaking to replace the certification process

20 for Part 68 by one of the two options. It is presently

21 favoring the verification option, particularly in view of

22 the fact that lab accreditation was never required by the

23 current Part 68 program over its life. The TIA petition for

24 rulemaking is expected to be ready for filing very shortly.

25   Another question that the FCC is asking in this

1   forum relates to the administration of Part 68 and the

2   future of Form 730. For a brief discussion on that topic, I

3   would turn to my colleague, Greg Slingerland.

4   MR. SLINGERLAND: Thank you, Pierre.

5   Thank you for this opportunity to speak. My name

6   is Greg Slingerland and I work for Mitel Corporation,

7   although I am representing TIA here today.

8   I've been involved in the telecommunication

9   standards activities, including the TIA and the Canadian

10   TAPAC Program for the past 15 years. I'm currently the

11   internal chair of TIA's TR-41.11 committee on Part 68

12   administrative matters. It was set up to assist the Part 68

13   staff with administrative issues relating to the Part 68

14   application process.

15   The most recent activity of this committee has

16   been to assist the FCC with a refresh and update of the

17   FCC's Form 730 application guide. This is reorganized for

18   use and clarified much of the information in the guide.

19   Also significant amounts of out-of-date information have

20   been deleted. The contents of the original guide were

21   driven by application process and troubles and concerns of

22   the day.

23   TR-41.11 has been working with Part 68 staff

24   involvement to insure it addresses their concerns.

25   It is expected that the Part 68 guide, as it will

1 now be called to better reflect its real function, will be

2 ready for publication within the next three to four weeks.

3   The concerns raised for this forum relating to

4 this guide can really only be addressed once the new

5 procedural process has been chosen, whether certification,

6 declarations, verification or something else.

7   The advantage with this cleaned up version, which

8 is currently in progress, is a rewrite to accommodate the

9 new procedural process has been simplified.

10   TIA through TR-41.11 stands ready to assist the

11 FCC in aligning the Part 68 guide with this new process.

12   Thank you for the opportunity to speak.

13   MR. BERRESFORD: Thank you very much both of you.

14   Now, Mr. Joseph O'Neill of ACIL.

15   MR. O'NEILL: Thank you. My name is Joe O'Neill,

16 and I'm the Executive Director of ACIL, the American Council

17 of Independent Laboratories. ACIL represents approximately

18 300 testing organizations, many of which have been testing

19 products to the requirements of FCC Part 68 since the

20 inception of the program.

21   ACIL's members have been involved in the process

22 of defining and formulating the designation criteria for

23 telecommunication certification bodies, TCBs, since January

24 1999, to assist the FCC and NIST in implementing the U.S.-EU

25 MRA.

1   Most ACIL members are small businesses with

2 limited funding who have contributed a great amount of time

3 and resources in assisting the FCC and NIST in this area.

4 Any changes in the FCC Part 68 regulation will have an

5 impact on these small businesses and should be carefully

6 considered.

7   Historically, ACIL members have served an

8 important role in providing testing and certification

9 services to support FCC regulations and requirements. ACIL

10 fully supports the Commission's objectives to streamline the

11 equipment authorization process whenever possible and to

12 rely on the private sector to implement these changes. This

13 is precisely what the FCC has done with the adoption of Gen.

14 Docket 98-68, which mandates the formation of TCBs to

15 privatize the equipment authorization process.

16   The disadvantage of the present process is that it

17 introduces a delay on the deployment of terminal equipment

18 and creates a heavy administrative burden on the FCC.

19 However, when these bodies become operational competition

20 will be introduced into the system and the FCC's

21 administrative burden will be greatly reduced. TCBs will

22 compete with each other based on price, service and their

23 ability to improve the manufacturer's time to market.

24   FCC oversight and filing requirements will be

25 minimal. ACIL therefore encourages the FCC not to reverse

1   itself, but to continue the speedy implementation of Gen.

2   Docket 98-68. Experience with TCB implementation of Part 68

3   will give the Commission the knowledge and insight it will

4   need to consider any further deregulation or streamlining.

5   As I mentioned earlier, the majority of ACIL

6   members that provide testing and certification services to

7   support FCC regulations are small businesses. In addition

8   to the time and resources already expended on behalf of the

9   FCC rules -- excuse me -- on behalf of the FCC to put the

10   TCB process in place, testing and certifying compliance to

11   the FCC rules has required a major investment in the capital

12   and professional infrastructure on the part of testing

13   organizations. Any drastic unreasoned change to the

14   existing compliance structure would have a devastating

15   financial impact on these small businesses.

16   A better approach, and the one mentioned earlier,

17   is to allow the TCB process to be implemented. If this

18   process is allowed to work, those products worthy of

19   verification and declaration of conformity will be supported

20   by a body of data that is generated by the TCBs. This is

21   one safeguard to the system.

22   Other safeguards also must be put in place to

23   assure the integrity and competence of the conformity

24   assessment system adopted by the FCC. Such safeguards have

25   been noted in the comments already submitted by ACIL.

1   We agree with Nortel Networks and their comments

2   which state, "All test laboratories, both independent and

3   manufacturer laboratories, should be accredited." And we

4   agree also with the comments from the United States

5   Telephone Association which state, "The Commission must

6   ensure that it will maintain enforcement authority over

7   these standards."

8   The Commission must ensure that it will maintain

9   enforcement authority over Part 68 to preserve the essential

10 concept of a single uniform standard with the force of law.

11 Through careful consideration, the FCC can take additional

12 steps to further streamline the FCC equipment registration

13 program while maintaining the integrity and competence of

14 the process.

15   Thank you very much.

16   MR. BERRESFORD: Thank you, Mr. O'Neill.

17   Next is William S. Hurst of Communication

18 Certification Laboratory.

19   MR. HURST: Thank you for this opportunity to

20 speak. Again, my name is Bill Hurst, Vice President of

21 Communication Certification Laboratory.

22   I've had the unique opportunity of observing the

23 evolution of an industry over the past 25 years. Being

24 independent, I have been able to watch the activities of

25 both manufacturers and carriers with a great deal of

1   interest over this period of time.

2   And when I started my career as a test technician

3   many years ago, it was not possible to even own your own

4   telephone set, and it was very much the vision of

5   Communication Certification Laboratory, which was started by

6   an engineer who was working for the Utah Public Utility

7   Commission, to find a way to have an open and competitive

8   telecommunication market here in the United States, and

9   despite a vigorous legal battle raised by a very large

10   monopoly that went all the way to the Supreme Court small

11   business did finally win out.

12   We now have an open and competitive market and I'm

13   still amazed to see the advancement in telecommunication

14   over the past 25 years that Part 68 has allowed to happen.

15   The Commission should be justifiably pleased with

16   the successful policy that they have administered, and all

17   that I ask is that careful consideration be given to any

18   changes in this program that could place such a successful

19   program in jeopardy and actually move us backwards to a less

20   competitive market.

21   Today we ask the question, "Can the registration

22   certification procedural rules be streamlined, whether

23   implemented by government or by private entities?   And I

24   believe the answer is clearly yes.

25   Through careful consideration, the Commission can

1   take major steps forward to streamline the FCC Part 68

2   program while still maintaining the integrity of the

3   program. Today I want to highlight three points.

4   First, we need to stay the course. The Commission

5   has already taken a positive step in privatizing the

6   administrative process. We have embarked on a clear and

7   logical path that should be allowed to continue. Under

8   Docket 98-68, the Commission has mandated the formation of

9   telecommunication certification bodies which provide for the

10   privatization of equipment approvals and the implementation

11   of mutual recognition agreements. Industry has shown

12   support for this process and is working hard to see that it

13   is implemented.

14   CCL encourages the Commission to see that this

15   program is immediately implemented so that the

16   telecommunication industry can begin to reap the benefits of

17   that this privatized equipment approval procedure will

18   provide. By allowing an open a competitive market in the

19   area of equipment approvals, manufacturers will no longer

20   measure approval times in weeks, but in hours. The

21   Commission should not reverse the course that is clearly

22   established.

23   The TCB program provides for a systematic process

24   in considering further changes to the equipment approval

25   process. By allowing the TCB program to become operational,

1   the FCC will create an important option that can be used in

2   protecting the network and ensure access to the

3   telecommunications network. The Office of Engineering and

4   Technology has shown how such a systematic approach can be

5   taken.

6   As shown in Part 15, different equipment approval

7   procedures are provided for varying types of equipment. For

8   some products certification may in fact not be needed, but

9   this should be a conscious technical decision based on the

10   unbiased efforts of the Commission staff.

11   Once the first step is taken and experience is

12   gained with allowing TCBs to perform certification, the

13   Commission can then determine the next step. Whatever that

14   next step is certification should remain as an option for

15   manufacturers to use as needed.

16   Other countries have relied on the registration

17   program here in the United States and manufacturers have

18   been able to take that registration to other parts of the

19   world. An example of this combination and this approach is

20   given in Part 15 where some products are permitted to use   ,

21   either certification or declaration of conformity.

22   The second point is we need to challenge the

23   industry. The question is raised, "What portions of the

24   guide to Form 730 should be implemented as procedural rules

25   and what portions of the guide to FCC Form 730 are no longer

1 necessary?" With the implementation of the TCB program,

2 there is a real need to review and revise the administrative

3 procedures found in both Part 68, subpart C and in the guide

4 to FCC Form 730. Such changes require careful thought and

5 consideration and cannot be fully addressed in a public

6 hearing. To the credit of the Telecommunication Industry

7 Association, this work is already underway.

8   CCL encourages the Commission to challenge

9 industry to take on the work of reviewing and revising the

10 administrative procedures. As a means to streamline the

11 process of updating the FCC Part 68 administrative

12 procedures, it is recommended that the final document

13 produced by industry be pointed to within Part 68. This

14 will allow for timely adoption of updated procedures and

15 will FCC to have the final approval of such document.

16   The third point is leadership comes with

17 responsibility. Safeguards must be put into place to assure

18 that we do in fact fulfill the purpose of Part 68. A

19 complaint mechanism must be in place, as given in Part 68,

20 subpart E, and the Commission must maintain enforcement

21 authority to ensure a credible program.

22   One of the most commonly asked questions of a test

23 laboratory is: What is the penalty if I don't comply? It

24 is amazing how good we are at following the rules if we know

25 someone is watching.

1   The Commission should see a significant reduction

2   and resources needed to administer the Part 68 registration

3   program through the implementation of the TCB program.

4   Almost all administrative tasks should be moved to the

5   private sector. This reduction in resources will allow the

6   Commission to devote its efforts in overseeing the program

7   and providing the leadership that only it can give.

8   Thank you.

9   MR. BERRESFORD: Thank you, Mr. Hurst.

10   The next person to speak will be Mr. Stan Roberts

11   of Cisco Systems. Mr. Roberts.

12   MR. ROBERTS: Good morning. My name is Stan

13   Roberts from Cisco Systems here today representing ITI.

14   First, I'd like to thank you for the opportunity

15   to allow us to present today, and you will note that ITI has

16   filed a paper which is in the proceedings.

17   After yesterday's thorough discussions, I think

18   today we want to capture just the salient points, and I

19   think there is a one-pager which has been circulated this

20   morning. So our recommendation is simply to move to

21   verification from registration. In doing so a three-part

22   approach: Extent 47 CFR Part 2 to include network

23   attachment equipment. The manufacturer or the importer

24   ensures that the equipment complies with the appropriate

25   technical standards -- this is straight out of 2.902 at the

1   moment of the FCC rules -- and no submission of sample or

2   data to the Commission.

3   The responsible party, once again from 2.909,

4   manufacturer or the importer is responsible for compliance.

5   And we heard quite a lot yesterday about supplier

6   accountability, so certainly one mention of an extra mark.

7   I don't think we would recommend that entirely, so the

8   equipment is still traceable back to the manufacturer or the

9   importer, and the Commission could redirect most of its

10   efforts from the certification or registration at the moment

11   to post-market surveillance-like enforcement. That's

12   basically the essence of our paper.

13   Thank you.

14   MR. BERRESFORD: Thank you, Mr. Roberts.

15   Next, Mr. Salinas from SBC.

16   MR. SALINAS: Good morning. I am Jimmy Salinas

17   from SBC and I carry with me 30 years of experience in the

18   engineering and applications portion was in the network of

19   the telecommunications system.

20   After reviewing all the work that's been done

21   recently on the 740 form through harmonization and the TR

22   committees, and not wanting to discount that work, but also

23   in taking into account the new paradigm shift that was

24   mentioned yesterday that the FCC were going into, we feel

25   that maybe we need to replace the form entirely, come with a

1   new form that's in a four-part.

2   The first part, maintaining the manufacturer

3   information for responsibility of the product. The second

4   part, maintaining the distributors information in the case

5   where the manufacturer may be a shadow manufacturer or a

6   manufacturer overseas. The third part, maintaining

7   information on the test lab, the certified test lab that did

8   the work that validated that this material or this product

9   is usable within the United States and meets all the

10   technical criteria set forth in Part 68. And the fourth

11   part, maintaining information on the test results and the

12   test methods used to cover that particular technology to

13   meet the requirements.

14   We do this in a way of giving us full -- the full

15   ability of being able to track that everybody involved in

16   bringing this product to market is answerable to the wrongs

17   or rights done in that particular effort. But in order to

18   completely redo this form and in order to completely know

19   where we're going forward with all this work, we ask that

20   maybe the Commission give us a view of where they intend to

21   be in the next three years or in the next four years, what

22   part they intend to take and what part that they want us to

23   take. It's hard for us to say we will jump in here not

24   knowing your plans of where you want to be in a two-year

25   time period or a three-year time period and a four-year time

1   period.

2   Thank you.

3   MR. BERRESFORD: Thank you.

4   And last on the list is Mr. John Shinn of Nortel

5   Networks.

6   MR. SHINN: Thank you.   Good morning, and thank

7   you for the opportunity for us to speak.

8   My name is John Shinn, a regulatory agency manager

9   for Nortel Networks, and bringing up the rear here, as you

10   said, as we open this third panel of procedural rules, I

11   would like to rephrase the direction that's been given to

12   each of the panels in this forum.

13   In the first panel, we looked at the rules and

14   asked what could be eliminated.   The second panel looked at

15   of how the Commission basically could out-source those

16   rulemaking and maintenance process.   And of course this

17   panel is to look at how the Commission can out-source

18   basically the regulator or the registration process.

19   The questions regarding the portions or which

20   portions of the guild to the FCC 730, now known as the Part

21   68 application guide, should remain and which portion should

22   be discharged remains.   The answer at this time to this

23   question really depends on the outcome of this panel.

24   Now, we feel, or Nortel Networks, we feel that

25   there are three alternatives available in the out-sourcing

1   of the product registration process.

2   First, the use of a telecommunication

3   certification body, or TCB. This has been already proposed

4   and discussed in other forums, and this process only moves

5   the bureaucracy from the FCC staff to a private organization

6   or organizations with no guarantee of a reduction in

7   processing time, and a likely increase in fees.

8   The second issue is that of verification. In this

9   scheme, the manufacturer or importer makes a determination

10   that the product complies with the rules, generates a

11   report, which will be held by the manufacturer or importer

12   as the case may be, and the product is available for

13   marketing.

14   The third scenario is that of the supplier's

15   declaration of conformity, or known as the SDOC. In this

16   scheme, the manufacturer or importer has the product tested

17   for compliance with the rules and a report is generated,and

18   a declaration of conformity document is generated, usually

19   by the test lab, and a copy is included in the user's

20   manual.

21   The primary difference between the verification

22   and an SDOC is that the SDOC uses an accredited test

23   laboratory for performing the necessary test and issuing the

24   DOC certificate. We feel that this process is less open to

25   abuse than other processes using nonaccredited laboratories.

1   Nortel Network supports the use of the supplier's

2   declaration of conformity and we feel that the use of an

3   accredited test lab will bring more credibility to the out-

4   sourced registration process.

5   The SDOC would significantly reduce delays

6   inherent in the present Part 68 registration process. In

7   addition, it would free up valuable FCC resources that are

8   presently being used to Part 68 application for

9   registration.

10   Other additional thoughts we have is that -- now

11   it is anticipated the United States continue to work with

12   the European Community, the Asia-Pacific communities

13   regarding the mutual recognition agreements. The testing

14   laboratory will require accreditation by the national

15   laboratory accrediting body -- NIST, for example, in the

16   United States -- for compliance with ISO Guide 25.

17   In order to keep from having to make changes in

18   the process again sometime in the near future, it is the

19   position of Nortel Networks that the FCC should begin

20   requiring all testing laboratories to be accredited by an   .

21   appropriate accreditation body.

22   And also, as was discussed briefly yesterday in

23   panel two, the enforcement activities of the FCC will have

24   to become more visible, and enforcement activities, if any,

25   should be widely publicized.

1   Thank you.

2   MR. BERRESFORD: Thank you very much, Mr. Shinn.

3   Is there anyone else present who would like to

4   make a presentation?

5   (No response.)

6   Seeing no such person, I'll ask if anyone on the

7   panel has any questions or comments he or she would like to

8   make.

9   MR. VARMA: I have no comments, but a few

10   questions.

11   MR. BERRESFORD: Please.

12   MR. VARMA: My first question is for either Mr.

13   Pierre Adornato or Greg Slingerland.

14   I think you mentioned that certification should be

15   replaced by a declaration of conformity. You also briefly

16   discussed verification. Then I was wondering if you can

17   amplify that a little bit more as to which of these three

18   approaches you prefer and what are the pros and cons of one

19   vis-a-vis the other.

20   MR. ADORNATO: I enjoy doing that because even

21   though it's a single question at this point, no simple

22   answer.

23   As I tried to say in my statement, we feel that

24   the certification, which is the same as registration by the

25   way, should be replaced by declaration from the methodology,

1   and then I went on to say that that under the Part 2, two

2   methodologies are a person be allowed DOC and verification.

3   The data point, which is very important to make, just for

4   understanding of this, is that DOC is an international term.

5   It is defined in ISO guides. It is referred to in Guide 22.

6   And as our subcommittee investigated the various concerns,

7   it became clear that DOC as is presently defined by the FCC

8   is somewhat different from DOC as understood

9   internationally.

10   The main difference being that the FCC definition

11   includes a mandatory use of accredited labs whereas in the

12   international definition there is no mandatory requirement.

13   The option to use an accredited lab or not to use a lab is

14   left up to the manufacturer or suppler who makes the

15   declaration.

16   Having noticed that, then we went on to the

17   verification as defined by the FCC, and within that

18   particular approach there is certainly no need to use an

19   accredited laboratory. So from that point of view, the

20   verification process seems to be similar in many ways to the

21   international SDOC and that's where the confusion comes from

22   such.

23   As far as reflecting the opinions of the group

24   that I work with, I would say it's a question of

25   terminology. The verification process seems to give them

1   the freedom of using a testing lab that is not necessarily

2   accredited, which is what they have enjoyed under the

3   present Part 68 methodology ever since the beginning, so

4   that has to be kept in mind as one of the approaches.

5   Also, whether you call it verification plus a few

6   things associated with data base, or whether you call it DOC

7   without lab accreditation, I think you're probably

8   converging to the same point.

9   I'm not sure if that answers your question but

10   that's --

11   MR. VARMA: It does actually. So in balance,

12   would you say that between declaration of conformity and

13   verification, you prefer the latter?

14   MR. ADORNATO: I prefer -- the committee prefers

15   verification.

16   MR. VARMA: And do you envision any role for the

17   TCBs in your recommendations?

18   MR. ADORNATO: Frankly, that is such a disturbing

19   debates. It is clear that if you have a verification

20   option, then the role of TCBs might be for a manufacturer

21   that wants to use the services of an accredited lab for

22   whatever reason, and that -- that could take place. We're

23   still debating the issue.

24   MR. ADORNATO: Okay. All right, thanks.

25   My next question is for Mr. Joe O'Neill. I think

1   you basically said that you generally support privatization,

2   and that the TCB process should be implemented, and the

3   laboratories must be accredited.

4   I was wondering if you might be able to share your

5   views with us on the other alternatives that we have just

6   discussed, namely, either declaration of conformity or

7   verification. Have you considered any of those in spite of

8   the fact that we have moved forward already in the other

9   proceeding, 98-68, concerning the establishment of TCBs.

10   MR. O'NEILL: Yes. We have considered the various

11   options. It's our position that the wisest course for FCC

12   is to follow is a phased -- a phase-in process. In our

13   opinion, instead of moving from regulation by a government

14   body to total verification, which term, by the way, I find

15   curious since it seems to be non-verification, but that's

16   another issue. Terminology is a big problem in conformity

17   assessment, as Pierre just noted.

18   But nevertheless, maybe some day, in our opinion,

19   that might be -- we might be in a better position to move

20   from one end of the spectrum to the other, but our position

21   is it would be wiser to move by stages in this privatization

22   thrust that the FCC has adopted. And to move from

23   government regulation and government approval to --which is,

24   you know, given the FCC's challenges financially and giving

25   the manufacturers' legitimate needs to get to market

1   quickly, we feel that using private sector bodies that are

2   properly accredited and found to be qualified to do the

3   work, that it makes a lot of sense for FCC to go to that

4   phase at this particular time. And since they have already

5   established the TCB process, nothing has to be invented.

6   It's there. It just needs to be implemented.

7   And moving to that stage then would give the FCC a

8   chance to see how that works, and we're convinced it will

9   improve time to market considerably because of the many

10   different TCBs versus one FCC, which is the current system,

11   and then give that a chance to work and see what its pluses

12   and minuses might be, and in a couple of years after there

13   has been sufficient time to let that work, then reconsider

14   whether moving to DOC or verification might be the proper

15   next step.

16   MR. VARMA: So you think that's a more systematic

17   way of doing it; in other words, change the responsibilities

18   from the government to the private sector?

19   MR. O'NEILL: Yes.

20   MR. VARMA: Let the TCBs do it, and then in due

21   course make the next transition of either going to DOC or

22   verification or whatever?

23   MR. O'NEILL: Given the stakes, that is, the

24   integrity of the system, we feel it's unwise to move from

25   one end to the other of the spectrum in one act, but rather

1   to stage and experiment with a privatization that involves

2   more -- in our opinion, more control and more ability to

3   safeguard the system than would going from where we are now

4   to total verification. Yes, we believe that's in the public

5   interest.

6   MR. VARMA: Okay. I think a comment was made that

7   perhaps it is more prudent to establish a private

8   bureaucracy to replace a government bureaucracy.

9   Are you concerned with that?

10   MR. O'NEILL: I guess I question the use of the

11   term "bureaucracy." I think we find that private sector

12   bodies typically are faster foot and where there is

13   competition -- well, the problems with any bureaucracy is

14   when it is the only bureaucracy, you might say, that lack of

15   competition and the bottleneck that is created by having

16   just one approval mechanism is a problem.

17   But if you have many different routes to market

18   through the use of many -- you know, the opportunity to

19   choose among the TCBs which one you want to choose or which

20   one works best for you, I would question. I think the term

21   "bureaucracy" is ill-advised and inappropriate in that

22   context.

23   MR. VARMA: Okay. Joe, are you prepared to

24   suggest for other consideration some sort of a sunset

25   provisions as where the TCBs are concerned so that we know

1   what the road map is and we can make the transition down the

2   road?

3   MR. O'NEILL: My opinion would be it's premature

4   to establish a sunset time. I would prefer to say we would,

5   we would support the idea of a certain review period, and

6   then only get into the sunset situation based upon what that

7   review concludes, you know, where FCC and the private sector

8   stakeholders could sit down in a couple of years and say,

9   "Now we have this system and do something like this, let's

10   hear everybody's opinion as to how it's working," and then

11   consider whether sunsetting at some point is advisable.

12   MR. VARMA: Okay. Just one final question. You

13   said that the process of verification that was discussed,

14   you characterized it as really non-verification as opposed

15   to verification.

16   Why do you think that should be characterized that

17   way?

18   MR. O'NEILL: Well, to me, I don't have Webster

19   with me, but my sense of verification is that it almost

20   inherently includes the concept of an outside party coming

21   in to verify something. And whether it is the producer

22   himself or the supplier himself who is doing the checking,

23   and to me that's a "trust me" system. It isn't a

24   verification system.

25   MR. VARMA: Okay. All right, thank you.

1   MR. BERRESFORD: Thank you.

2   I'm going to ask a question or two just for

3   clarification so I make sure that I'm keeping with what

4   people are saying, and then go on to other people at this

5   table, if I could.

6   There are three terms people are using: DOC,

7   certification and verification. Am I right in my belief

8   that certification and DOC are the same or are much the

9   same?

10   THE AUDIENCE: No.

11   MR. BERRESFORD: No. Is DOC similar to

12   verification?

13   THE AUDIENCE: Similar.

14   MR. BERRESFORD: Okay. So those two belong

15   together.

16   Also -- yes.

17   MR. VARMA: I guess I've probably spent a bit of

18   time talking about those. DOC, declaration of conformity as

19   defined by the FCC is different from verification as defined

20   by the -- the main difference, for the purposes of this

21   forum, is that DOC as defined by the FCC requires the use of

22   an accredited lab whereas verification does not. There are

23   other differences but that is the main one, I would think.

24   I invite anybody else to speak to that if they

25   have any other comments.

1   MR. HURST: Bill Hurst with CCL, if I could.

2   Yeah, the difficulty is there is -- there is with

3   each of these terms, there are very unique differences on

4   each of them.

5   With certification, as defined, these are all

6   defined by the FCC, the certifications done, the actual

7   certifications done by a third party, the testing can be

8   done by a manufacturer without accreditation, and so the

9   test data can continue just as it does today, but the

10 certification work itself is done by the third party, which

11 provides a safeguard, whereas when we -- is that clear? You

12 look puzzled.

13   MR. BERRESFORD: I was thinking you were saying

14 that the unique attribute of certification, is that

15 something that a manufacturer can do all by itself?

16   MR. HURST: No.

17   MR. BERRESFORD: No.

18   MR. HURST: No, the certification, there are two

19 phases, certification and testing. The testing can be done

20 by the manufacturer without accreditation. That test data

21 is then sent to a third party for review, which then

22 certifies that it's been done properly. That is very

23 similar to what is done with the FCC today, so that the TCB

24 program just moves the FCC actions to the private sector.

25   The manufacturer can do the testing without